

**THE RELATIONSHIP BETWEEN STOCK RETURN WITH TRADING
VOLUME AND FIRM SIZE OF 30 SELECTED COMPANIES ON KLSE MAIN
BOARD**

This paper is submitted in partial fulfillment of the Bachelor of Business Administration Hons. (Finance), to awarded by Universiti Teknologi Mara, Dungun, Terengganu, Malaysia.

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OCTOBER 2003

ACKNOWLEDGEMENTS

In the name of Allah, The Merciful, The Beneficent

Praise be to Allah for giving me the courage, health, time and knowledge in appreciation this project paper. I would like to express my utmost gratitude and appreciation to my honored advisor, Puan NorHayati Yusof Ali for her guidance and encouragement all the way helping me in preparing and completing this project paper.

Not forgetting, Professor Dr Ishak Abd. Ghani as the second examiner, for his resourceful assistance critique and comments.

Last but not least, my beloved family for their fullest support and prayers. I also would like to express my appreciation to my classmate and all people involve during the completion of this report for their co-operation and support all this while.

MAY ALLAH BLESS YOU

ABSTRACT

This study examines the relationship between stock return with firm size and trading volume for 30-selected stock in Kuala Lumpur Stock Exchange taken the average from the year of 1993 to 2002.

This investigation is conduct by analyzing 10 years average annual return for 30 selected companies on KLSE Main Board. All of the company selected from the KLSE Main Board in various sector that are; finance, consumer product, trading/services, plantations, industrial product and construction. It is to see whether there is a size effect between firm (small or large) in determining the return. The trading volume is also used to indicate the relationship between trading volume to stock return.

This study also want to measure the interrelationship between trading volume and firm size towards the stock return and also want to prove the theory that the return for small firm size outperformed the return of large size of firm.

The last aspect of this paper is analyzing and conducting the data that will be tested, and explaining the variables that may affect the stock return. In analyzing the data, MINITAB Software program will be used.

The result that is obtained from three findings in this study proves that trading volume is positively correlated with size.

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